

DRAFT ADMINISTRATIVE ARRANGEMENT

**BETWEEN
ASIAN DEVELOPMENT BANK (ADB)**

**AND
UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)**

FOR FUNDS TRANSFERRED BY ADB TO UNDP

**IN SUPPORT OF A TECHNICAL ASSISTANCE PROJECT ON “SUSTAINABLE
MANAGEMENT OF COMMUNITY DEVELOPMENT FOR CHITTAGONG HILL TRACTS” TO
BE IMPLEMENTED BY UNDP**

**DATED
(THE “ADMINISTRATIVE ARRANGEMENT”)**

Whereas the **Asian Development Bank (ADB)** and the **United Nations Development Programme (UNDP)** on 23 July 2007 signed a *Memorandum of Understanding (the MOU) for Administrative Arrangements*;¹

Whereas UNDP and GoB on01 December 2016..... approved the Project titled “Strengthening Inclusive Development in Chittagong Hill Tracts (SID-CHT) (the “UNDP Project”) for the benefit of the people of Chittagong Hill Tracts, Bangladesh as set out in the UNDP project (Project ID 00085987).

Whereas ADB on 6 December 2017 approved a Project for the benefit of the people of Chittagong Hill Tracts, Bangladesh as set out in the ADB project Document titled TA xxxx-BAN: Sustainable Management of Community Development for Chittagong Hill Tracts (the “ADB Project”).

Whereas **ADB** has agreed to transfer the amount of US\$ 471,000 to UNDP upon terms and conditions set forth hereinafter for the achievement of output One and Two of the ADB project; and

Whereas **UNDP** has agreed to receive and administer the funds transferred by ADB to UNDP upon the terms and conditions set forth hereinafter;

Whereas the **Government of Bangladesh** has been duly informed of the intended transfer of funds by ADB to UNDP towards the cost of the above-referred project in Bangladesh;

Now therefore ADB and UNDP agree as follows:

Article I. The purpose and utilization of the funds transferred by ADB to UNDP

1. The purpose of the Funds transferred by ADB is to support the activities of the ADB project as set out in Appendix A of this Administrative Arrangement.
2. The funds transferred by ADB to UNDP shall be used to cover the project activities and costs as set out in Appendix B: (the UNDP Project Document) of this Administrative Arrangement.

¹ An Amendment to MOU between ADB and UNDP was signed on 30 June 2014

3. The Project activities and/or costs to be covered by the funds transferred by ADB to UNDP as set out in Appendices A and B may be reviewed periodically by ADB and UNDP as may be required, and may be adjusted subject to mutual agreement by ADB and UNDP.
4. The funds transferred to UNDP by ADB under Article II(1) below shall be treated as UNDP resources and administered in accordance with UNDP Financial Regulations and Rules.

Article II. ADB funds to be transferred to UNDP

1. ADB shall transfer to UNDP a total amount US\$ 471,000 (hereafter referred to as “the ADB funds”) of United States Four Hundred Seventy One Thousand Dollars (US\$471,000) in quarterly-installments in required estimated amounts to meet forecast expenditure and commitments in the subsequent periods in accord with Article VI below, with these installments estimated in amounts as follows:

Installment #	Installment Date	Estimated Installment Amount (US\$)
1 st	January 2018	100,000
2 nd	April 2018	100,000
3 rd	July 2018	100,000
4 th	October 2018	100,000
5 th	January 2019	71,000

2. All installments of the ADB Funds shall be deposited in the following UNDP account:

Account Name : UNDP USD Contributions Account
 Account Number : 36349562
 Bank Name : Citibank, N.A.
 Bank Address : 111 Wall Street New York, NY10043
 Swift Address : CITIUS33
 ABA/ACH Routing Number : 021000089

3. ADB will inform UNDP when the installment is paid via e-mail message with remittance information to: shaila.khan@undp.org

Article III. Organizational responsibilities, accountability and management

1. UNDP shall be responsible for executing the ADB project through the UNDP project using the ADB funds.
2. UNDP shall be responsible to ADB for the proper use of the ADB funds, including use for the benefit of the specified CHT communities of Bangladesh and for specific purposes for which these funds have been approved by ADB.
3. A committee shall be established for the Project with a mandate to include monitoring progress and providing advice to the responsible UNDP project manager for the

execution of the Project and shall include a representative from ADB. Where an advisory or steering committee is already established for the UNDP project, such a committee may be used for this purpose, providing ADB can fully participate.

4. The UNDP Country Office in Bangladesh shall provide ADB with quarterly status reports on progress in implementation of the project as well as the latest approved budget for the project with the progress reports in the standard format for UNDP progress reports, unless otherwise agreed by ADB and UNDP.

Article IV. General management and other support costs

1. Within the total amount transferred by ADB to UNDP, eight percent (8%) of the total funds transferred by ADB to UNDP shall be allocated to UNDP to use to cover UNDP general management support costs as set out in Appendix B.
2. Other implementation support services costs incurred by UNDP related to the specific activities to be financed by ADB funds as set out in Appendix B.

Article V. Currency for payments, accounts and expenditure

1. The amount of funds transferred by ADB to UNDP, and all financial accounts and statements submitted by UNDP to ADB, shall be expressed in United States Dollars.
2. The value of funds transferred by ADB to UNDP, and any installment and/or disbursements from it, if made in a currency other than United States dollars, shall be determined by applying the *United Nations Operational Rate of Exchange* in effect on the date of payment, appropriately documented by UNDP.

Article VI. Advances, installments and/or other periodic payments

1. The ADB funds shall be transferred in five installments in advance of the implementation of planned activities with the amount of the installment based on the commitments and liabilities that UNDP estimates it will make during the next report period, unless otherwise agreed by ADB and UNDP.
2. Except for the first installment, subsequent installments will be transferred by ADB to UNDP on receipt by ADB of a statement of expenditures from the UNDP to liquidate the drawdown of the previous installment. The statement of expenditure will be in the standard UNDP format for statements of expenditure with supplementary information provided by UNDP if needed, and as reasonably requested by ADB.

Article VII. Annual and final financial statements

1. UNDP shall provide ADB an annual financial statement as of 31 December each year, certified by the UNDP Comptroller, on the use of the ADB Funds transferred during the year, not later than 30 June the following year.
2. The United Nations System of Accounting Standards shall be applied to accounting records and annual financial statements.

3. After completion and financial closing of the Project, UNDP shall provide ADB, not later than 30 June of the year following the financial closing, a final financial statement, certified by the UNDP Comptroller, on the use of the ADB Funds.
4. All financial statements as well as other financial reports and statements of expenditure related to the ADB Funds will be provided by the UNDP in the standard UNDP formats.

Article VIII. Use of interest income

1. UNDP shall notify ADB when all activities relating to the project have been completed.
2. UNDP shall prepare and submit to ADB a project completion report in the standard UNDP format on completion of the project including supplementary information that ADB may require for preparing ADB's Project/Technical Assistance Completion Report on the ADB project.
3. Notwithstanding the completion of the project, UNDP shall continue to hold un-disbursed funds that have been transferred by ADB to UNDP for the Project until all eligible expenditures incurred prior to completion of the Project have been paid and activities brought to an orderly conclusion.
4. The completion date for the Project shall be 30 April 2019 or such other date as may from time to time be agreed between ADB and UNDP.

Article IX. Pre-termination of the Administrative Arrangement

1. Either Organization may pre-terminate this Administrative Arrangement which shall cease to be in force thirty (30) days after either organization has given notice in writing to the other organization of its decision to terminate the Administrative Arrangement.
2. ADB and UNDP shall consult between themselves and with the authorities in the beneficiary developing country prior to pre-termination of the administrative Arrangement by either organization.
3. In the event pre-termination, UNDP shall provide to ADB a statement of expenditure for all unliquidated expenses.
4. In the event of such pre-termination, ADB and UNDP shall consult with each other concerning the appropriate steps to be taken and/or any further actions which may be necessary to take with respect the project, including settlement of any outstanding commitments and liabilities.

Article X. Disposition of unexpended funds after completion or pre-termination

1. When the Project is completed (or the Administrative Arrangement in accordance with Article IX above), any ADB Funds that have been transferred to UNDP for the Project and any interest income attributable to funds transferred by ADB to UNDP shall be returned to ADB after all eligible expenditures incurred prior to the completion of the Project or pre-termination of the Administrative Arrangement, as the case may be, have been paid, unless otherwise agreed by ADB.

2. Any unexpended ADB Funds shall be deposited by UNDP in the following ADB account:

Bank Name	:
Bank Address	:
Account Name	:
Account No	:
Type/Currency	:
Swift Code	:
Fed wire	:

Article XI. Use of interest income

1. Unless otherwise agreed by ADB, any interest income attributable funds transferred by ADB to UNDP for the ADB project may be retained by UNDP, subject to following two conditions: (i) the amount transferred at a time does not exceed the equivalent of \$500,000; and (ii) ADB confirms the original source of funds does not prohibit such arrangement, in which cases the interest income shall be returned to ADB. .

Article XII. Ownership and disposition of equipment, goods, supplies and properties

1. Ownership of equipment, supplies and other properties purchased by UNDP with ADB funds shall vest in UNDP. Matters related to transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.
2. On completion of the Project, all equipment, goods, supplies and/or properties purchased by UNDP with ADB funds shall be transferred to the Government of Bangladesh in accordance with relevant policies and procedures of UNDP, unless otherwise agreed by ADB.

Article XIII. Internal and external audits

1. The use of the ADB Funds transferred to UNDP for execution of the ADB project shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP.
2. Should the Biennial Audit Report of the Board of Auditors of UNDP to its governing body contain observations concerning the Project and/or related financial management of the ADB Funds, such information shall be made available to ADB.
3. If information about the use by UNDP of the ADB funds is requested by ADB for conduct of ADB internal and/or external audits, UNDP shall provide the information as reasonably requested to the ADB.

Article XIV. Anti-corruption procedures and investigations

1. In managing and utilization of the ADB funds, UNDP shall maintain standards of conduct that govern the performance of its staff, including the prohibition of corrupt, fraudulent, collusive, or coercive practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in the *Staff Regulations and Rules of the United Nations, the UNDP Financial Regulations and Rules and the UNDP Procurement User Guide*.

2. ADB and UNDP will consult with each other in respect of any matter that may arise from or in connection to fraudulent and corrupt, fraudulent, collusive, or coercive practices and conflicts of interest with respect to the Project.
3. All allegations of corruption shall be investigated promptly and, where confirmed, appropriate follow-up action shall be initiated without delay by ADB in accordance with application ADB policies, procedures and guidelines where such allegations involve ADB staff and/or activities and by UNDP in accordance with application UNDP policies, regulations and rules where such allegations involve UNDP staff and activities and/or activities. For the purposes of this administrative arrangement under the MOU, the following definitions shall apply:
 - (i) "corrupt practice" means the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party;
 - (ii) "fraudulent practice" means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
 - (iii) "coercive practice" means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
 - (iv) "collusive practice" means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.
 - (v) "unethical practice" means behavior that constitutes a conflict of interest, or that is contrary to the policies and requirements of doing business with UNDP, including but not limited to post employment and gifts and hospitality provisions.
 - (vi) "obstruction" means acts or omissions by a Vendor that prevent or hinder UNDP from investigating complaints of Vendor engagement in proscribed practices within the meaning of UNDP Vendor Sanctions Policy.
 - (vii) (d) Any entity debarred, including those cross debarred, by ADB in accordance with ADB's Anticorruption Policy and Integrity Principles and Guidelines shall be ineligible to participate in projects implemented by UNDP pursuant to this section. ADB shall advise UNDP on any matter concerning the eligibility of debarred or cross debarred entities. and any change of their status as such.
4. Any entity debarred, including those cross debarred, by ADB in accordance with ADB's Anticorruption Policy and Integrity Principles and Guidelines shall be ineligible to participate in projects implemented by UNDP pursuant to this section. ADB shall advise UNDP on any matter concerning the eligibility of debarred or cross debarred entities. and any change of their status as such.
5. Any entity debarred or that is otherwise considered ineligible by UNDP in accordance with UNDP's policies and procedures shall be ineligible to participate in activities financed, administered or supported by UNDP or ADB in relation to this MO

Article XV. Application of access to information and disclosure procedures

1. Access to and disclosure of documents and information related to the Project that is generated and retained by ADB with respect to the Project shall be governed by the *ADB Communications Policy (2011)*.
2. Access to and disclosure of documents and information generated and maintained by UNDP with respect to the Project shall be governed by the *UNDP Information Disclosure Policy* and the *UNDP Publications Policy*.
3. In cases involving documents, prepared with contributions of ADB and UNDP, the two organizations will consult and decide on a case-by-case basis on the disclosure of such documents.
4. ADB and UNDP will consult with each other in advance and prior to release of documents and/or information to ensure that release of such documentation and information is coordinated and does not contravene the access to information and disclosure policy of either organization.

Article XVI. Confidentiality of information

1. All electronic, oral, printed and/or written information designated as confidential and furnished by one of the two organizations to the other and/or obtained as a result of the activities related to the Project shall be treated as confidential. Such confidential information shall not be disclosed without the prior knowledge and consent of the other organization, except where such disclosure is required by law, subject to the privileges and immunities of ADB and of the United Nations, including the UNDP, as may be applicable.
2. Consent to discuss and/or disclose such confidential information obtained as a result of activities carried out under this Administrative Arrangement shall not be unreasonably withheld.

Article XVII. Application of safeguard policies

1. Prior to approval of the ADB project, ADB's *Safeguard Policy Statement (SPS)(2009)* shall apply.
2. UNDP shall implement the Project in accordance with applicable UNDP safeguard policies.

Article XVIII. Procurement of equipment, goods, and services

1. The ADB funds shall be used for procurement of equipment, goods and services from eligible ADB member countries only, unless otherwise approved by the required ADB and UNDP authorities on a case-by-case basis.
2. All procurement of goods, equipment and services using the ADB funds shall be by open and competitive selection processes within the country eligibility framework set out in Article XVIII(1) above, unless otherwise approved in advance by the required ADB and UNDP authorities on a case-by-case basis.

3. Subject to compliance with the country eligibility and to open and competitive selection, noted in Article XVIII(1) and (2) above, all procurement of goods, equipment and services using the ADB funds shall be carried out using and in accordance with UNDP policies, procedures and documentation for the procurement of goods, equipment and services as set out in the *UNDP Procurement User Guide*.

Article XIX. Recognition of ADB financial support and use of names and emblems

1. UNDP will make best efforts to include in its public documentation pertaining to the Project for which ADB transfers funds to UNDP, a public acknowledgement of ADB financial support for the Project.
2. ADB and UNDP will use each organization's name and emblem in documentation related to the Project technical cooperation in accordance with the current policies of each organization and with prior written agreement of the other organization when referring to the organization's name and/or using its emblem.

Article XX. Amendment of Administrative Arrangement

1. This Administrative Arrangement may be amended through an exchange of letters between ADB and UNDP. The letters exchanged shall become an integral part of the Administrative Arrangement.

Article XXI. Official Communications

1. All official communications and reports **to ADB** about this Administrative Arrangement for the transfer of funds from ADB to UNDP shall be addressed to:

*Manmohan Parkash
Country Director
Asian Development Bank
Bangladesh Resident Mission
Plot E-31, Sher-e-Bangla Nagar
Dhaka-1207, Bangladesh
Tel: +880 2 55667000, 58156000-17
Fax: +880 2 9117925-26
email: mparkash@adb.org*

2. All official communications and reports **to UNDP** about this specific Administrative Arrangement for the transfer of funds from ADB to UNDP (including a copy of e-mails advising UNDP of installment payment as detailed in Article II.3 above) shall be addressed to:

*Sudipto Mukerjee
Country Director
UNDP Country Office, Bangladesh
IDB Bhaban, Sher-E-Bangla Nagar
Agargaon, Dhaka, Bangladesh
Telephone: +88 02 55667788
Email: sudipto.mukerjee@undp.org*

Article XXII. Entry into Force

1. This Administrative Arrangement shall enter into force upon signature of this Administrative Arrangement by both ADB and UNDP and the deposit by ADB of the first installment of funds by ADB to be made in accordance with the schedule of payments set out in Article II (2).

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Administrative Arrangement to be signed in their respective names in two copies, each of which shall be an original.

For the
Asian Development Bank:

For the
United Nations Development Programme:

*Manmohan Parkash
Country Director
Bangladesh Resident Mission*

*Sudipto Mukerjee
Country Director
UNDP Country Officer, Bangladesh*

___ December 2017

___ December 2017

APPENDIX - B

Budget for UNDP Component

Budget Line	Unit Description	Unit	Unit Rate (USD)	Total (USD)
1. NGO Contract				
1.1. Subcontract to local partner NGOs (community mobilization, stakeholder mobilization, monitoring, HR and operation cost) including different trainings to communities	Per contract / District	3	80,000	240,000
2. Programme Cost (through NGO and SID-CHT)				
2.1. Skilled youth resource pool (tube-wells, ring wells, irrigation facilities, agricultural machineries, local transports, community centers, market sheds, etc.) developed by technical partner NGO with toolkit/toolbox - 125 persons (1 person to cover 4 PDCs)	Person	125	550	68,750
3. Planning, Monitoring and Evaluation				-
3.1. Planning and review workshop	Per Meeting	6	1,200	7,200
3.2. Result Assessment/Evaluation (Internal)	Lump Sum	1	20,000	20,000
4. CHTDF/Project Operation Cost				
4.1. Staff Salaries (partial)	Lump Sum/month	12	6,000	72,000
4.2. Local travel, field visit, DSAs etc.	Per Month	12	500	6,000
4.3. Office rent (partial - Dhaka and Rangamati)	Per Month	12	500	6,000
4.4. Consumable-Office supplies (CHTDF)	Per Month	12	200	2,400
4.5. Other Services (Tel/Fax, electricity, Internet, security etc.)	Per Month	12	300	3,600
5. Sundry/Contingency	Lump Sum	1	10,161	10,161
Total				436,112
GMS (8% of Total)				34,889
Grand Total				471,000